

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

JUNE 26, 2015

The regular monthly meeting of the Board of Directors of Wheat Belt Public Power District was called to order by President Bernard Fehring, at 8:30 a.m., Friday, June 26, 2015, at the District Headquarters, 2104 Illinois Street, Sidney, Cheyenne County, Nebraska.

ROLL CALL

The following Directors were present:

Mike Blomenkamp
Bernard Fehring
John Gortemaker
Marcus Milanuk

Stuart Morgan
Doug Smith
Brian Zimmerman

Also present were Tim Lindahl, General Manager; Carolyn Hostetler, Chief Financial Officer; Pam Wieser, Business Manager; Earl Reilly, Operations Manager; Jim Weeda, IT Manager; and Kelli Chaon, Executive Assistant.

Debra Schlaman recorded these Minutes at the request of Board Secretary, Marcus Milanuk.

President Bernard Fehring declared a quorum present.

Attention of the Directors and attendees was directed to the Open Meetings poster.

APPROVAL OF AGENDA

Milanuk made a motion to approve the Agenda as presented. Gortemaker seconded the motion. Roll call vote: Yea: All Present. Motion carried.

NOTICE OF MEETING

Notice of the meeting was given by publication in the Sidney Sun-Telegraph on Monday, June 15, 2015, and proof of publication showing such notice as published is attached and thereby made a part of these Minutes. Morgan made a motion to waive the reading of the meeting notice. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

Tom Mathine was unable to attend due to outage repairs.

APPROVAL OF MAY 22, 2015, BOARD MINUTES

Smith moved to waive the reading of the May 22, 2015, Board Meeting Minutes, and that they be approved as presented. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

PUBLIC HEARING & COMMENT PERIOD

No one appeared before the Board.

GENERAL MANAGER' S REPORT

Lindahl reported on his vacation.

Personnel

Tom Mathine has returned to Wheat Belt after working at Burt County PPD for almost eight years. Staffing is back to 27 full-time employees.

Legislative & Regulatory

Things are relatively quiet now that the state session has ended. There is some activity on the federal level regarding the EPA. Information was included in the news section of the Board book. Lindahl included an updated NREA Bill tracking document, and Kristen Gottschalk's report is included in the confidential packet of the Board book.

Lindahl reported that discussions began at the Manager's meeting concerning annexation concerns, and how to introduce them in the political sphere.

Lindahl and several directors have received solicitations from First Security Power and others promoting guaranteed electrical pricing. Discussion followed, and Lindahl was asked to invite their representative to the August meeting.

Lindahl reported that the Department of Energy has solar project grants to cover research, development and engineering costs. Lindahl has been in discussion with Tri-State, and the Directors agreed to explore the solar concept.

Lindahl has been afforded two-minute public service slots, for six months, with RFD-TV network promoting farm safety and safe electricity. Lindahl has been working with Federated, Tri-State and NREA on how best to produce the content for the spots. They are also trying to work with Touchstone for branding

purposes.

Lindahl was asked to sit on an executive committee on a rural electric Veteran's initiative, which is part of a joint effort of NRECA and the DOE. The committee will meet one to two hours each month beginning mid-July through the end of the year, to develop resources for rural electric cooperatives to hire and employ veterans that possess needed skills in our industry. Most of the meetings will be held electronically so Lindahl will not need to travel.

Other:

Lindahl received word that Joe Pandy, former General Manager at Mountain Parks Electric and chairman of the Tri-State Managers Committee, retired this week. Since Lindahl is the vice-chair of the Tri-State Managers Committee, he was asked to assume the duties of chair for the remainder of the year. Lindahl will also serve as chair of the group for 2016, and host the July, 2016, meeting in Sidney.

The "Power" Campaign launched this week. Lindahl showed a video on "Power How It Makes it Possible" with a Wheat Belt customer highlighted.

Financials

The financials were presented under separate cover. Lindahl and Hostetler reviewed and answered questions. Lindahl discussed rate comparisons and rate design with adjustments for margin balancing. A strategic planning item for discussion was line item overages on the Cash Expenditures report. Following discussion, it was the consensus of the directors to continue to operate under the intent of the Board, just advise them with overages on line items. The Debt Service Recap on the last page of the Financials was discussed.

STRATEGIC ISSUES

Facility Design: Progress is being made with the dirt work on the building site. The well drilling for the geothermal system has been completed and a temporary electrical service was installed for the site. Morgan and Lindahl reported on what progress they have seen. Lindahl discussed the possibility of a NEMA grant to cover the cost of the generator at the new facilities. The new headquarters would be deemed a critical facility, and we would need backup generation.

No bills have been submitted for payment his month.

Facility Sale: Lindahl had a gentleman stop to visit about the potential sale of the headquarters.

Rates Design: Lindahl will begin looking at our rates and the new proposed Tri-State rate. He has begun looking at data to determine how best to proceed. Lindahl and Wieser discussed the concept of an idle service rate.

Lindahl reported that CFC offers a cost of service and rate design service. The representative would visit with staff and directors to talk about what they can offer if the Board is interested.

Blue Creek Substation Land Sale: A letter from NPPD was included in the Board book indicating they would like to begin charging us a wheeling fee. Tri-State is working on this on Wheat Belt's behalf. Further options are being explored, and the sale was tabled until a decision has been made on what direction to take.

District Legal Counsel: Fehringer reported that three applications have been received and they would be discussed in Executive Session.

District Auditor: Lindahl learned that Schmidt & Company will have another peer review in August. The topic will be discussed in Executive Session.

MEETING REPORTS

Tri-State Board Meeting

Morgan reviewed his June Tri-State Board Meeting report and discussion followed. Morgan reported that Tri-State's appeal to be excluded from the Las Conchas Fire lawsuit was denied, and the trial begins in September. Morgan reported that Tri-State's Board of Directors has approved joining the Southwest Power Pool and placing its network transmission assets in Nebraska, which are tied to the Eastern Interconnection. Discussion and questions and answers followed.

Tri-State Rate Committee

Morgan and Lindahl reported. An Executive Summary was included in the Board book. A representative from Tri-State would come to a meeting and explain the rate change and the rate process if the directors were interested.

Tri-State FERC Complaint

Morgan reported on the subject, and it is still an issue.

MEETING REPORTS

2015 CFC Forum

Lindahl reviewed his report in the Board book, and asked for questions. Discussion followed on cyber security.

WyoBraska MDM

Lindahl's report was presented in the Board book. Discussion was held on several topics including AMI systems, prepaid metering programs, remote disconnect practices and budget billing. The Gridstream AMI system, a system that we are exploring as a complement/replacement of our system, was also discussed.

EXECUTIVE SESSION

An Executive Session was called to discuss setting forth a process for legal counsel interviews, and to discuss the situation with the District auditor. Also to be discussed was the CFC Cooperative System Integrity Fund. A motion was made by Milanuk and seconded by Zimmerman to go into Executive session at 10:20 a.m. Roll call vote was conducted. Yea: All present. Motion carried.

A motion was made by Smith and seconded by Gortemaker to go out of Executive session at 10:58 a.m. Roll call vote was conducted. Yea: All present. Motion carried. No actions were taken in Executive Session.

A motion was made by Morgan and seconded by Gortemaker to approve making an annual contribution of five percent of Wheat Belt's share of CFC's retired patronage to the CFC Integrity Fund in accordance with CFC Policies. A roll call vote was conducted. Yea: All present. Motion carried.

POLICIES & RESOLUTIONS

Policy E-1: Employment Policies; Policy E-2: Paid Time Off (PTO); Policy E-3: Holidays; Policy E-4: Uniforms and Safety Equipment; Policy E-6: Educational Courses; Policy E-7: Expenses; Policy E-8: District Vehicles and Mileage Payments: Gortemaker made a motion to readopt Policy E-1, Policy E-2, Policy E-3, Policy E-4, Policy E-6, Policy E-7, and Policy E-8, as presented. Smith seconded the motion. Roll call vote was conducted: Yea: All present. Motion carried.

Policy E-9: Physical Examination: Smith made a motion to approve Policy E-9 as amended. It was requested that an additional line at the end of the Policy be added stating "Wheat Belt employees are encouraged to get in network annual wellness physicals, which are covered at 100% by our health insurance".

Zimmerman seconded the motion. Roll call vote was conducted: Yea: All present. Motion carried.

SAFETY ISSUES and SAFETY MEETING MINUTES

The June 12, 2015, Safety Meeting Minutes were reviewed and discussed. JT&S Instructor, Kory Hildebrand, conducted Substation Safety and Awareness and Switching.

Reilly reported that the employees and Directors received a thermos cup and cooler for RESAP.

CONSTRUCTION, MAINTENANCE & OPERATIONS REPORT

Major Outages: Reilly reported that we lost sixteen poles as a result of the June 25th storm. Since June 9th, we have lost six poles to farmers hitting them with machinery and one to a road grader operator incident.

Construction, Maintenance & Operations: Reilly reported on what was noted in the Board book.

34.5 Sub Transmission Line: There was no additional items to what was reported in the Board book by Borges.

Milanuk asked Reilly about the Delta irrigation banks. Reilly responded.

Reilly reported that Kristen Gottschalk asked him to help conduct a presentation on the raptor program and what we are doing in the State of Nebraska at the Association of Illinois Electric Cooperatives in Springfield, Illinois.

BUSINESS REPORT

Wieser reviewed her report in the Board book and answered questions.

Irrigation

Wieser asked the Directors for irrigation write-offs under our testing policy on the following accounts:

Account 4-8933 in the amount of \$353.60
Account 4-8920 in the amount of \$419.39
Account 7-9954 in the amount of \$751.40
Account 7-9970 in the amount of \$584.80
Account 7-9901 in the amount of \$561.00 totaling \$2,670.19

A motion was made by Smith and seconded by Milanuk to approve the irrigation write-offs in the amount of \$2,670.19. A roll call vote was taken. Yea: All present. Motion carried.

Wieser reported on a delinquent customer account that has reached the point of retirement for nonpayment. She explained the situation to the Directors, and it was the consensus of the Board to follow policy.

Wieser included a copy of a customer letter in the Board book questioning the basic charges. Lindahl and Wieser explained the story behind the letter and Director Smith also has spoken to the customer.

METERING

Rosenbaum's report was included in the Board book and reviewed by the Board.

Lindahl reported that he met with Rosenbaum, Reuter and Weeda to conduct an IT strategic planning session. Discussion centered on transitioning to another AMI plan, possibly Gridstream by Landis & Gyr.

INFORMATION AND TECHNOLOGY REPORT

Weeda reviewed his report in the Board book and answered questions.

Fehringer congratulated Weeda on his completion of the Leadership Cheyenne County class.

The Wheat Belt 30-Day Load Chart was included in the Board book. The June 2013 Load Chart was also included for comparison.

FUTURE MEETINGS, TRAINING, AND ARRANGEMENTS

Peterson reviewed the upcoming meetings. Lindahl explained the new NREA hotel booking procedures.

ELECTION OF DELEGATES AND OTHER ORGANIZATIONAL ITEMS

The NRECA Voting Delegate and Alternate Delegate were due for renewal. A motion was made by Gortemaker and seconded by Zimmerman to maintain the current voting delegates. Smith will remain as the Director Voting Delegate and Fehringer will remain as the Alternate Delegate. A roll call vote was conducted. Yea: All present. Motion carried.

JUNE BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 12:15 p.m.

ATTEST:

Bernard G. Fehringer, President

Marcus Milanuk, Secretary